

**MERGER DECISION NO 33: 2022****DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF 100% SHAREHOLDING IN ALTRON BOTSWANA (PTY) LTD BY TANO DIGITAL SOLUTIONS BOTSWANA (PTY) LTD.****Introduction of the merging parties**

- i. Pursuant to Section 53(4)(a)(ii) of the Competition Act, 2018 (“the Act”), notice is hereby given on the decision made by the Competition and Consumer Authority (“the Authority”) in respect of the proposed acquisition of 100% shareholding of Altron Botswana (Pty) Ltd (“Altron Botswana”) by Tano Digital Solutions Botswana (Pty) Ltd (“Tano Botswana”). The transaction was notified to the Authority on 24<sup>th</sup> June 2022 and the merger assessment was completed on 27<sup>th</sup> September 2022.
- ii. Tano Botswana, the Acquiring Enterprise, is a company registered in terms of the Laws of the Republic of Botswana. The Acquiring Enterprise is wholly owned by Tano Digital Solutions (Pty) Ltd. In turn, the Acquiring Enterprise does not control any firm. The Acquiring Enterprise has not traded in Botswana prior to the notified transaction. The product portfolio of the Acquiring Enterprise includes: Business Consulting; Domain Expertise; and Technology consulting.
- iii. Altron Botswana, the Target Enterprise, is incorporated in accordance with the Laws of the Republic of Botswana. Altron Botswana is wholly owned by Altron International Holdings (Pty) Ltd (“Altron Holdings”). Altron Holdings has operations in Botswana, South Africa, Kenya, Namibia, Mozambique and Mauritius. The Target Enterprise does not control any other firm.

**Relevant Markets**

- iv. The evaluation of the activities of the Merging Parties products indicates that they are both engaged in the provision of Information Technology Solutions. However, there is lack of geographical overlap in the activities of the merging parties, as the Acquiring Enterprise has never traded in Botswana. Based on the foregoing, and in view of the nature of the products and services offered by the Target Enterprise, it was concluded that the relevant market should be defined as the provision of Information Technology Solutions and ancillary services.

## Competitive Analysis and Public Interest

- v. Since the Acquiring Enterprise does not have presence in Botswana, the Authority does not expect the proposed transaction to alter the market structure of the relevant market in Botswana. As such, the proposed transaction is not expected to give rise to substantial lessening of competition; restriction of trade or the provision of services; or to endanger the continuity of supplies in the relevant market in Botswana. However, the merger raises public interest matters that need to be addressed.

### The Determination

- vi. Pursuant to the provision of Section 53 of the Competition Act, the Authority has decided to approve the proposed acquisition of 100% shareholding of Altron Botswana (Pty) Ltd by Tano Digital Solutions Botswana (Pty) Ltd with the following conditions:
- a) There will be no merger specific retrenchments or redundancies. For clarity, merger specific retrenchments or redundancies do not include (the list is not exhaustive):
    - voluntary retrenchment and/or voluntary separation arrangements;
    - voluntary early retirement packages;
    - unreasonable refusals to be redeployed;
    - resignations or retirements in the ordinary course of business;
    - retrenchments lawfully effected for operational requirements unrelated to the Merger; and
    - terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance.
  - b) The merged enterprise shall inform the Authority of the date of implementation within thirty (30) days of the Approval date;
  - c) The merged enterprise shall provide details (Full Name; Identification Number; Gender; Position; and; contact number) of the current employees of the Target Enterprise within thirty (30) days of the Approval date;
  - d) The merged enterprise shall share a copy of the conditions of approval to all employees of the target and/or their respective representatives within ten (10) days of the Approval date;
  - e) The merged enterprise shall inherit all customers of the Target Enterprise on the same terms and conditions outline in the agreed contractual agreements until the elapse date;

- f) The merged enterprise shall within twelve (12) months of Approval date, demonstrate its youth empowerment and citizen empowerment strategies to the Authority.
  
- vii. However, as stated under Section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 27<sup>th</sup> day of September 2022.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013